

MANAGEMENT AND LEADERSHIP IN A CPA FIRM – PART 3

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PICKING UP WHERE WE LEFT OFF

This third column picks up where we left off after the last two. An excerpt from the final page of column two was:

Developing others is a real talent and one that can be exceptionally rewarding to both you and your firm. But you have to put in the time. People don't get better because you tell them to get better. They get better because you help them, you make them feel comfortable by pushing their personal development envelopes, and because they know you have their backs when they fail.

I want to start by talking about the phrase, "having your employees' backs." So what does this mean? Simply that, as the boss, you will take the bullets publicly for your people's mistakes. This is such a rare phenomenon, that many of you have never experienced what I am referring to – a boss taking the heat for his or her people. Most of the time, when problems are uncovered, company cultures are "at the ready" to quickly identify someone to blame regardless of the situation. In these organizations, those with exceptional CYA skills are the most highly valued. No, I did not misspell this acronym as it was not meant to be CIA (as in the government intelligence agency or certified internal auditors), but rather those covering their butts (I guess I should have referred to it as CYB).

When I refer to exceptional CYB skills, I am talking about the unique ability to make a mistake and then cover it up with such perfection that there is no trace that the error ever existed. Just so you know, this kind of clean-up effort will commonly take exponentially more time and resources than just admitting the mistake, fixing it and moving on. So you ask, "If taking a CYB approach to your work is so wasteful, why is it so common?" As I have mentioned so often in my writings, bad management is the most prevalent management of all.

Think of it this way ... how many of you would agree that your organization would improve its competitiveness in the marketplace if all of your people's skills stayed the same as they are now for the next three years. Hopefully, most of you would disagree. Okay then ... if staying the same is not a good strategy, then I am going to assume the inverse is true, that everyone (or at least most everyone) is getting better, faster and stronger, is the preferred strategy.

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Based on my limited life experiences, the only way I know to get better is to push your personal development envelop and try to learn and accomplish things you currently don't know how to do. Extrapolating even further, if you start doing things differently than you are doing now, won't that naturally generate a greater frequency of failure? There is an old adage that supports my linear logic – "Insanity is doing what you have always done and expecting different results." Or "If you do what you have always done, you will get what you have always gotten." Therefore, it is my conclusion that the shortest path to becoming better, faster and stronger is to, "do what you have never done, in order for you to get what you have never gotten." Or, to put it in the context of our discussion topic, if you are not failing, you are likely not improving.

I want to put this into the context of several recent discussions I have had with peers, professors, and business owners, etc. One of the topics of lively discussion is always about our young people today and how they seek more input, want more assurance, more direction, etc. As many of you know from being around me, I don't think there is much difference between one generation and the next outside of age and the "supply/demand" employment curve each generation experiences as they come out of school. In other words, if your generation, like mine (baby boomers) tried to find their first job when there were many more applicants than jobs available, we had to become very competitive to prosper. However, many generations have, up until our recent economic stumble, experienced job markets where demand way outstripped supply, so they have almost always had the power to write their own job descriptions and demand job concessions. Therefore, while I think each generation has some unusual tendencies, we are far more similar than different (especially when you look at each generation at the same age).

So, why did I bring this up? Well, the discussion usually heats up around the idea that many kids today were raised in "failure free zones." In other words, in sports, everyone got to play regardless of their ability, everyone got a trophy at the end of the year, everyone was special, everyone was a winner, and so on. While I understand why such a positive approach was supported, what that attitude doesn't recognize is the real value failure brings to the development process. Rather than focus on diminishing the blame, guilt, ridicule and embarrassment connected to failure (the real adversaries), the focus was to minimize the perception of failure. The real message should have been ... "they won, we lost, get over it." While you take home something special because you tried, you still lost this engagement, this battle. They get the trophy ... we get nothing. I can so often remember the words from my coaches and my dad, "Get out there and show good sportsmanship by congratulating the other team for winning and

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demonstrate that you can lose with pride and integrity.” I didn’t get that then, partially because that lesson was so frequent, but I do now.

As a society, we simply miss seeing the big picture sometimes. Failure isn’t the problem, it’s the single biggest support mechanism to helping each individual pick themselves up, dust themselves off and climb to new heights or achieve unprecedented new levels of success. Think of this another way. Consider all of the people you knew in school that found success early and easy, like that star quarterback or head cheerleader. Or what about those kids that fell under the radar, not so popular, and kind of goofy or nerdy. Now, compare those two groups. Don’t be surprised if those that got used to falling a little short, being a bit of an outcast, but continually finding a way to get out of bed to fight another day are the people who were best prepared to prosper. Why? Because I believe that while failure was not something they liked, they weren’t afraid of it either. They developed a more positive attitude toward failure, which helped them persistently evolve their personal development curve.

So, let me take this full circle to my topic of the day. When a manager has the “back” of his or her people, it means that the manager gets it. Those managers understand that mistakes are part of the development process and without mistakes, stagnation occurs. Those managers know that each time a mistake is made, an individual was confident enough to try something he or she did not know how to do before, which is how we get better, faster and stronger. Those managers understand that they need to create a culture that supports making mistakes, quickly acknowledging and then fixing them, without embarrassment but rather with pride of pushing their personal skills to a new level. Having “their backs” means you, the manager, protect your people and take the heat from your short-sighted peers and bosses. Allow your group to become the best it can be by supporting them to evolve at the fastest pace possible. In the short term, you may take some uncomfortable hits, or experience some negative visibility. But it won’t be long before your group will become the department of choice to work in and the group that consistently performs at the highest levels in your organization.

By now, I know there are many of you that are tense, frustrated, or even angry about my waxing on this topic. You can think of several people who make the same mistakes everyday and you are wondering how I can possibly propose celebrating them. To be clear, I am not suggesting that at all. I think, generally, management is sloppy in allowing non-performers to hang around. Making the same mistakes all of the time is inexcusable (assuming you’ve given them clear expectations and feedback). These are not people who are trying to push their personal envelopes – they are people that are in the wrong job (one that does not interest them), or at the wrong level (way beyond

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their current skills), or don't want to be there. Regardless, get them focused and improved, or get them out. Those in your organization that want to get better are being held back by having to spend so much time "carrying the water" for those who don't want to pull their own weight.

Some of you might be thinking, "Bill, you are ignoring how much time it takes to run off non-performers." And my response is ... there is no better way for you to spend your time. You are a manager. You manage and develop people and get work done through them. And you can't do that well with a crippled team. So, cycle non-performers out and follow the approach HR (human resources) is suggesting. However, don't run in fear of HR either. A choice I have made multiple times is that I will face the possible \$40,000-\$50,000 legal fight over wrongful termination than allow a virus to contaminate the rest of the team. This is your team ... you protect the team, always!!! Just to be clear, that kind of money would be damaging for me to lose, but so would six months of declining attitudes and lost productivity of multiple other people having to carry the load for the one who doesn't care.

So, develop your people, protect them, take the stigma away from failing, and don't procrastinate about running off non-performers. This is the job of a manager, and at times it can be a thankless and difficult one. But don't kid yourself either, there are few greater satisfactions than knowing you played an important part in someone's development, helping those people working for you to grow. And the best news of all is that you'll profit because of it, in more ways than just the extra money you get to take home at the end of the day.

We will pick up here next time and discuss what you can do to become a more effective people manager and developer. Since we won't meet again until after the holidays, we (Dom, Michaëlle, and I) hope you had a wonderful Thanksgiving, and experience a happy, healthy, prosperous holiday season and New Year!!